

Competing in A Revolution

Outsourcing Seminar
15 September 1993

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Competing in A Revolution

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Competing in A Revolution

**Outsourcing Seminar
15 September 1993**

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Notes

Outsourcing Seminar London, 15 September 1993

Agenda

- Competing in A Revolution
- U.K. Outsourcing Market Opportunity
- Increasing Client Need for Outsourcing
- Vendor Actions for Success

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Competing in A Revolution

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**The Computer Industry
In the 1990s**

Technology Revolutions
+
Organizational Evolutions
=
All the rules have changed

INPI IT

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[illegible]

Notes

IS Environment

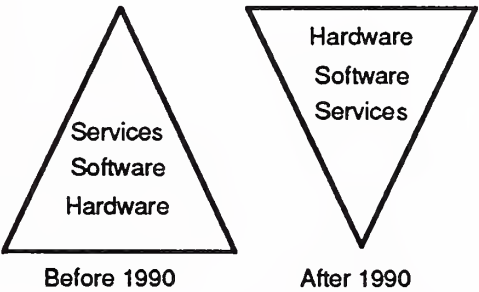
| Traditional | Downsized |
|-------------|---------------|
| Mainframe | Client/server |
| Shared | Dedicated |
| Remote | Local |
| IS operated | User operated |

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Industry Turned Upside Down



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Notes

Industry Structure and IS Revolution

| Operations Solutions | |
|-------------------------|------------|
| "Old" IS | "New" IS |
| Packaging | Packaging |
| Technology | Technology |

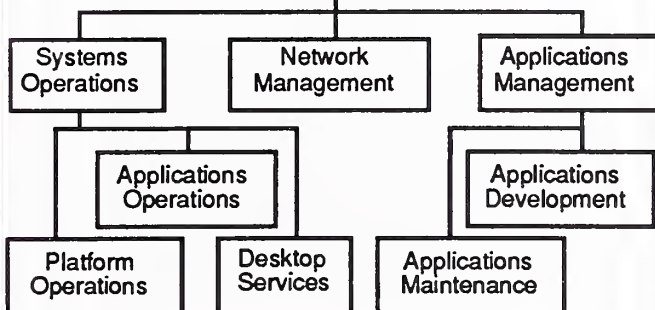
☐ Successful segments

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Outsourcing



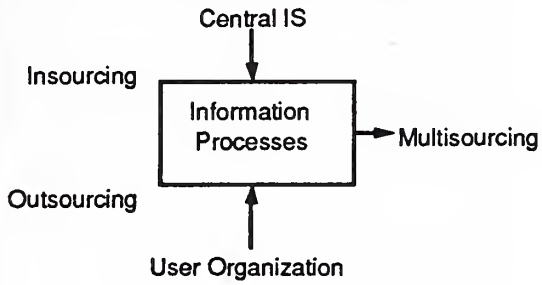
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Sourcing IT

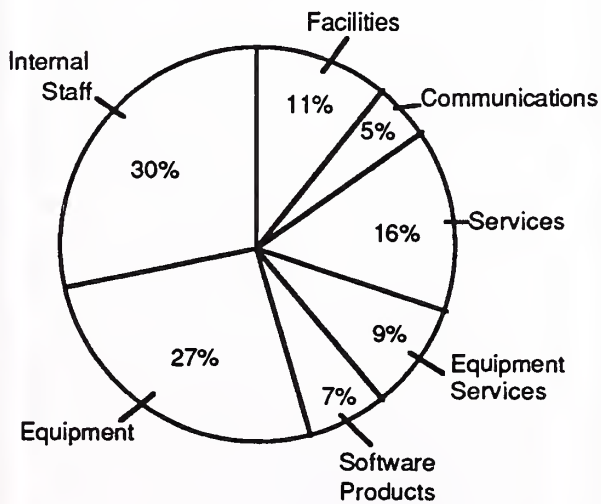


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IT Budget Analysis—U.K., 1992



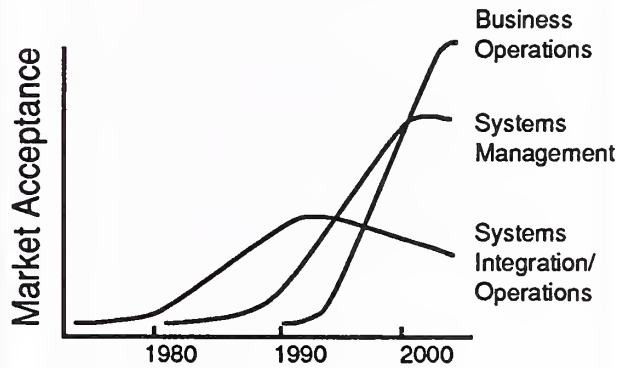
Total User Expenditure = £ 33 Billion

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Outsourcing Market Waves



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U.K. Outsourcing Market Opportunity

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Key Opportunities Outsourcing United Kingdom

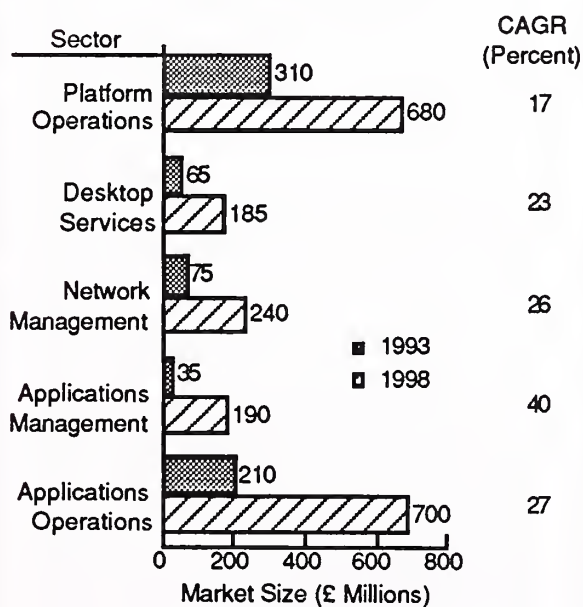
- Infrastructure not data centre management
- Business benefit not cost saving

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Outsourcing Market, 1993-1998 United Kingdom



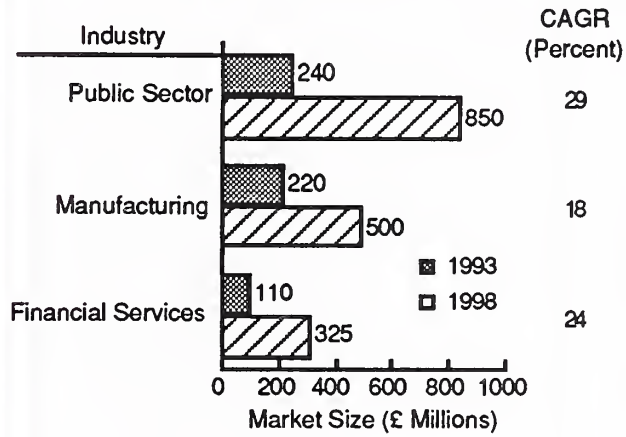
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Industry Sector Forecast Outsourcing U.K.

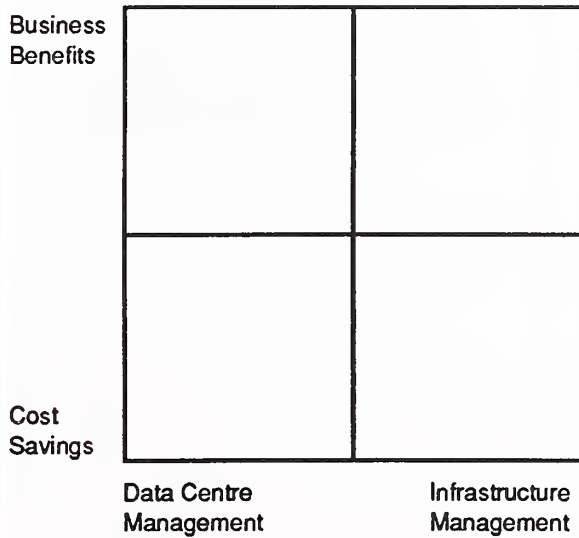


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Vendor Positioning



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Increasing Client Need for Outsourcing

- Client satisfaction
- Service improvement challenges
- Outsourcing business development

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Client Satisfaction

- Opinions strongly polarised (satisfied/dissatisfied)
- Declines over time
- Traditional services favoured/new services weak

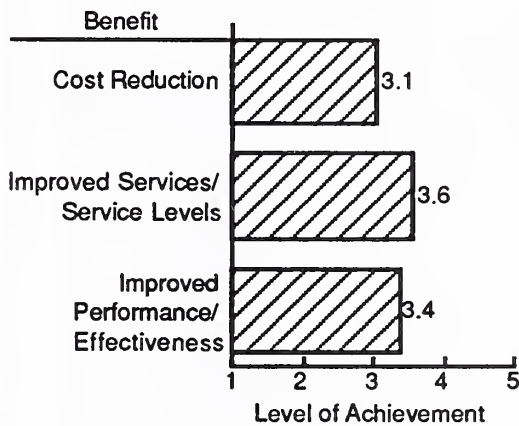
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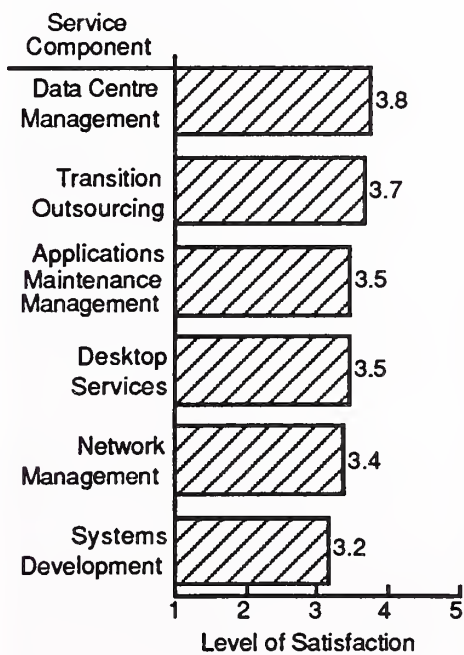
Degree of Achievement of Benefits Sought—United Kingdom



1 = Very Low, 5 = Very High

Sample of 20 outsourcing clients

Satisfaction Level by Service Component



1 = Dissatisfied, 5 = Highly Satisfied

Sample of 37 outsourcing users

Notes

Service Improvement Challenges

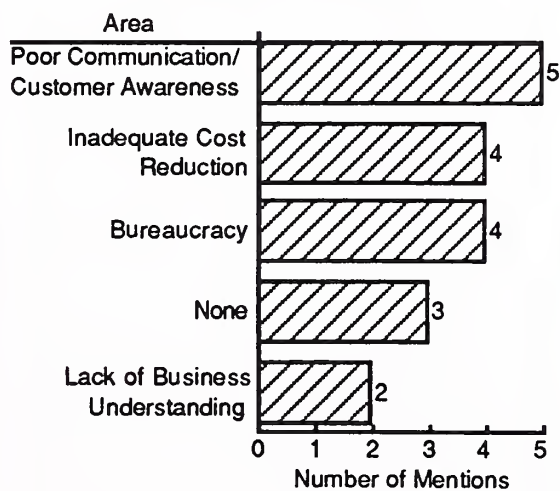
- Vendor/client procedures and communication
- Proactive account development
- Understand client's applications and business needs

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Areas of Dissatisfaction United Kingdom



Sample of 20 outsourcing clients

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Outsourcing Business Development

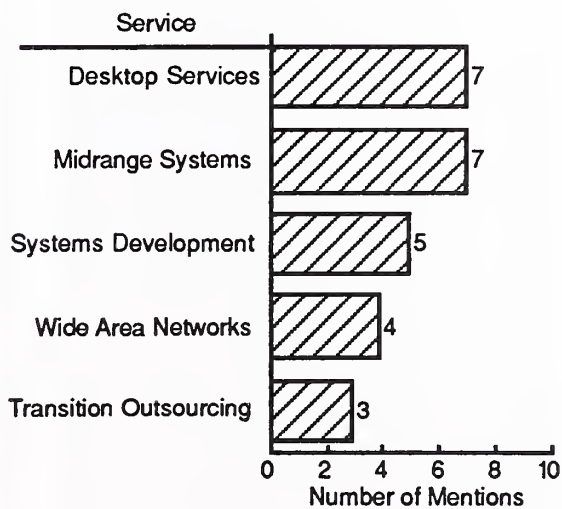
- Clients will increase their use of outsourcing - (65%)
- Clients will renew their outsourcing contracts - (85%)
- Clients show strong vendor loyalty - (85%)

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Extension of Outsourcing Services



Sample of 25 outsourcing clients

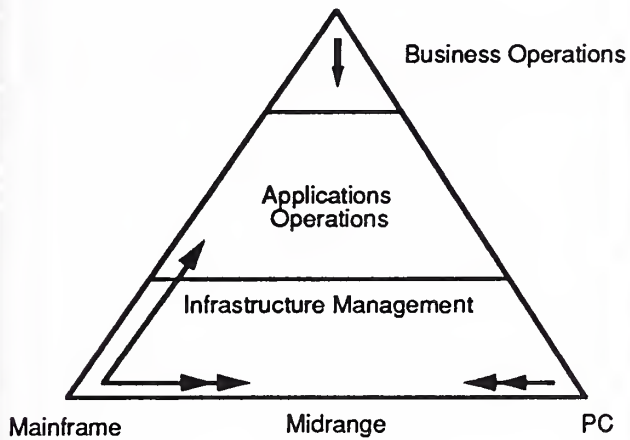
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Evolution of European Outsourcing



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Outsourcing

Vendor Actions for Success

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Notes

The Computer Industry In 2001

- IS is a process, not an organization
- Solutions and services are bought
- Services vendor role greatly enhanced
- Hardware role greatly diminished

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Successful Vendors

- Knowledge-based
- Network-based
- Low cost - continual improvement
- Low price - continual improvement

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Notes

Why Partner?

- Complete offering
- Upstream/downstream capabilities
- Technology "futures"
- 'Peer-to-peer' positioning

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'Octopus' Strategy

Extend arms as far as possible around clients.

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Competing in a Revolution

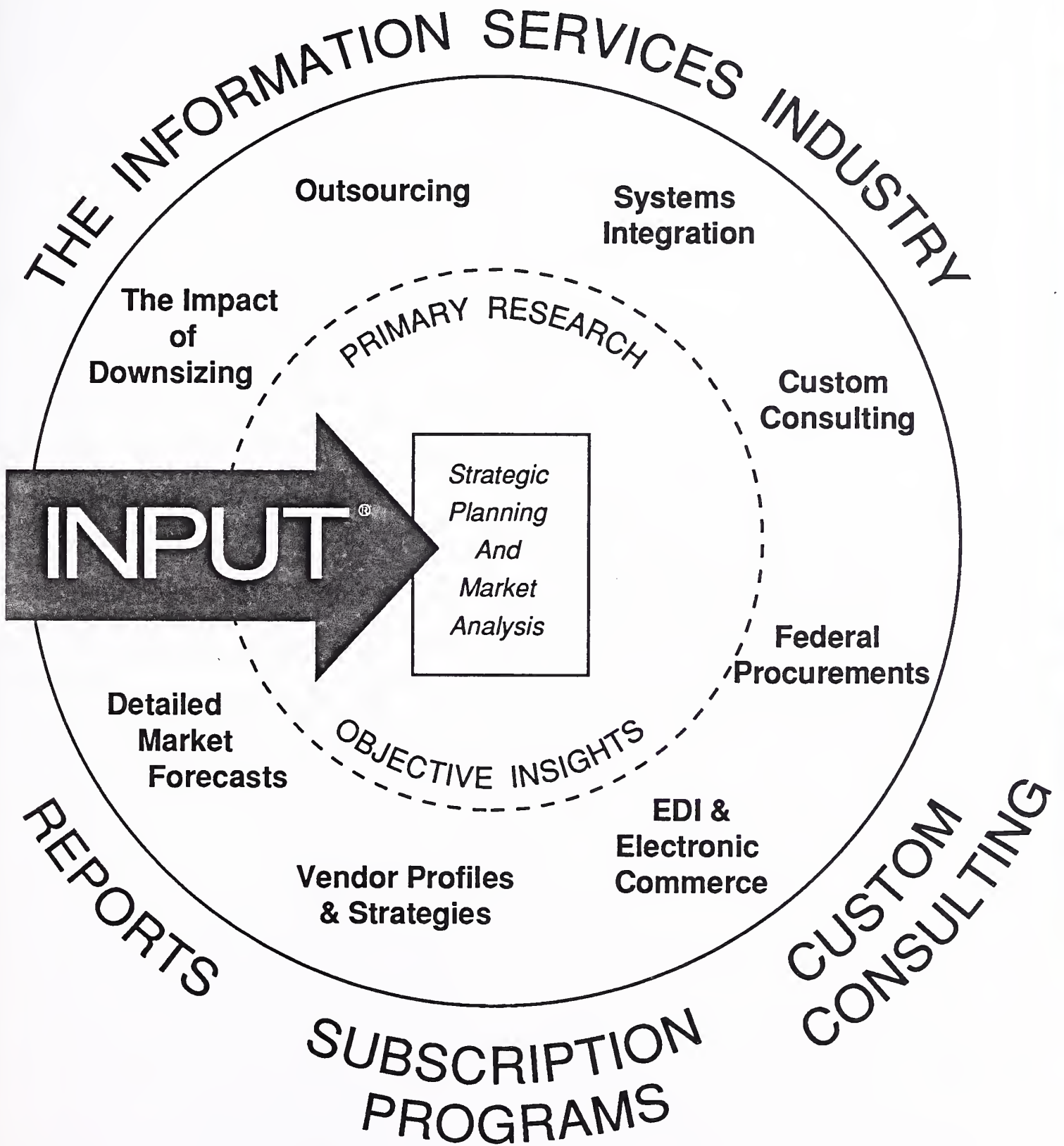
What used to work doesn't work now!

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ABOUT INPUT

IT INTELLIGENCE SERVICES

Since 1974, information technology (IT) users and vendors throughout the world have relied on INPUT for data, objective analysis, and insightful opinions to support their plans, market assessments and technology directions particularly in computer software and services. Clients make informed decisions more quickly and economically by using INPUT's services.

Call us today to learn how your company can use INPUT's knowledge and experience to grow and profit in the revolutionary IT world of the 1990s.

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 - 5-year forecasts
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- **Systems Integration and Business Process Change**
- **Information Services Vendors**
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 - Analysis
- **EDI/Electronic Commerce**
- **U.S. Federal Government IT Markets**
- **IT Customer Services Directions**

DATABASES

- **U.S. Federal Government**
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 - IT Awards
- **IT Vendor Database**
- **IT Application Development Opportunities**

CUSTOM PROJECTS

Custom market research and consulting projects address questions on market strategies, new product/service ideas, customer satisfaction levels, competitive positions and merger/acquisition options.

INPUT advises IT buyers on a variety of planning and implementation issues, including assessing the outsourcing of IT operations, assisting in the vendor selection process, and in contract negotiation/implementation. INPUT also evaluates plans for systems and applications downsizing.

OTHER SERVICES

Presentations to user groups, planning meetings, etc., on directions in IT and computer software and services

Acquisitions/partnerships searches on an international basis

EDI/Electronic Commerce Newsletter

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